

MEETING MINUTES CITY OF MILPITAS

Minutes of: Special Meeting of Milpitas City Council
– Budget Strategic Planning
Date: Tuesday, January 29, 2019
Time: 6:00 PM
Location: Barbara Lee Senior Center, Rooms 140/141
40 N. Milpitas Blvd., Milpitas

CALL TO ORDER

Mayor Tran called the meeting to order at 6:03 PM. City Clerk Mary Lavelle called the roll.

PRESENT: Mayor Tran, Vice Mayor Dominguez, Councilmembers Montano and Nuñez

ABSENT: Councilmember Phan was absent at roll call. He arrived in the meeting at 6:11 PM.

City Manager Julie Edmonds-Mares and all department heads were present at this meeting.

Upon inquiry of the City Attorney, no conflicts of interest were reported by Councilmembers in response.

Upon motion by Councilmember Montano and second by Councilmember Nuñez, the agenda was approved by unanimous vote.

Mayor Tran asked to move the public forum to be held prior to the budget study session and Council agreed by consensus.

PUBLIC FORUM

Robert Marini, attended a recent public meeting and there was no mention of bonds for bond financing of water projects that would put residents in debt for 30 years. No information was given on how fees were calculated.

BUDGET WORKSHOP

City Manager Julie Edmonds-Mares introduced the agenda and process for this meeting, designed to give the Council an opportunity to provide input at this budget kick-off for FY 2019-20.

Finance Director Will Fuentes expressed that this would be his last Council meeting, he'd appreciated working with the City and City Council, and felt a good foundation was laid in the Finance Department. Mr. Fuentes introduced consultant Jim Steele of Management Partners, who would help guide Finance while the City recruited to fill the permanent Director role.

Assistant Finance Director Jane Corpus next reviewed the status of the current Fiscal Year, including General Fund revenue sources alongside expenditures. On February 19, staff would present an updated budget status report to Council at the regular meeting. She identified anticipated additional revenues, and Mr. Steele discussed some potential increasing expenditures, such as Other Post-Employment Benefits (OPEB) and pension liabilities, along with a five year forecast with opportunities and threats.

Councilmember Montano asked how the BART station would bring revenues. Staff forecast that more people coming in on BART would spend money here at Great Mall, restaurants and other businesses.

Ms. Corpus discussed reserve policies, and identified the levels of eight segments of reserve funds (target v actual). General Fund reserves were healthy and would be discussed in more detail later. Mr. Steele discussed reserves and liabilities for OPEB, and pension and retiree health care costs.

Next, Ms. Corpus defined the annual budget process, steps and a timeline was identified.

Councilmember Nuñez asked the Assistant City Manager about where City Council and City Attorney fall in terms of the identified four City Service Areas. City Manager's staff indicated those come under Leadership and Support Services.

Department Directors and City Manager's staff reviewed major accomplishments in the current Fiscal Year and significant goals for the next FY. Public safety was first, so Police Chief Corpuz talked about a CIP project for camera and license plate readers, and received questions and feedback from Council.

Councilmember Phan wanted to know if the license plate camera technology could be expanded into use by other city vehicles, and maybe there would be some grant funding for that, with a data collection emphasis.

Councilmember Montano asked if the City still needed to pay the County for ambulance services (per contract), once the new City ambulance was in use. Fire Chief Sherrard responded this was a complex matter, working on that issue. Ms. Montano asked the Police Chief if Milpitas Police would use drones for crime apprehension. Chief Corpuz was studying the use of technology overall. Councilmember Phan asked if public safety needed to purchase a "chopper" for emergency response.

Councilmember Nuñez inquired about service provided to the County's Elmwood county jail in Milpitas.

Recreation Director Renee Lorentzen reviewed major accomplishments for the Community Services and Sustainable Infrastructure service area. Major workplan item include recreation and parks master plans, and an urban forest plan. Councilmember Montano wanted to understand how parks were prioritized for update in the CIP. Staff would cover more in detail at the future CIP study session.

Deputy City Manager Steve McHarris reviewed major accomplishments for the Community Development service area. He listed extensive workplan major items. Councilmember Montano asked if staff would look into McCarthy Ranch and its plans for transition.

Councilmember Nuñez commented on the "completion" of Mabel Mattos School, since he noted it was not done yet. He wanted more opportunity for deep conversation on some of the major topics on the Community Development list, especially economic development.

Assistant City Manager Ashwini Kantak reviewed major accomplishments for Leadership & Support Services service area. Councilmember Phan asked what efforts were being taken to be transparent about processes undertaken. He asked about an update of overall policies of the city, and Ms. Kantak replied that staff was working on updates to Standard Operating Procedures and other policies.

Councilmember Montano noted that acronyms were not always well known, so she asked staff to state those when going along.

Councilmember Nuñez wanted to know more about staffing studies coming forward, on staffing analysis. Ms. Montano was not thrilled about the cities that Milpitas was compared to in the Management Partners staffing study, regarding employees v. population.

Public Information Officer Jennifer Yamaguma reviewed the extensive plan for community engagement for the new budget and other major work areas of the City Council. She described a community survey done at Council direction, with topline results noted.

Ms. Kantak talked about the citywide staffing analysis done recently by an outside consultant, versus seven other Bay Area cities. Comments were heard from several Councilmembers about subtracting revenue from specific cities that have their own utilities, in order to make the comparison to cities like Palo Alto and Santa Clara and Alameda. Vice Mayor Dominguez wanted to compare job descriptions between cities.

City Council took a break at 8:10 PM and upon return to the meeting, staff invited the Council to participate in an effort to provide input regarding community engagement, which was written down on large easel charts.

Input on community engagement

Mayor Tran liked emphasis on social media, and recent improvements in the last two years. He wished to support more effort on social media, e.g. maybe Council meetings on Facebook live, or a video City Manager's report. He noted, as an example, a Beverly Hills effort. Update the City website showing Council meeting displayed and a search bar on Council minutes on website.

Vice Mayor Dominguez wanted to have live interaction at Council meetings, like Santa Clara and Riverside. She sought a Community Fund for beautification (gave examples). On inclusion and diversity: expanded efforts at that with hiring, and accessible languages including translation services especially at City Council meetings.

Councilmember Montano, said with young families to have more City sponsored events like a bike-a-thon, include children, use the Library as a magnet, and facilities. Use of the Senior Center at current costs was too high, and have more activities with City fairs.

Councilmember Phan suggested on social media to set an example by making efforts more personable. Show what government was doing for the residents. Find government "fun" and highlight what employees do for the City/taxpayers. Increase use of tools like 911-text alert service.

Councilmember Nuñez was impressed with what was done last year, on engagement, based on responses he'd heard in the community. So he urged to build on that. Residents saw they were able to see City Councilmembers at many events/meeting city-wide, including School District occasions.

Vice Mayor Dominguez sought the ability for Council to direct events, to invite Department Directors to individual Councilmember events (like her pizza lunch), and have a faith-based community roundtable to tap into resources.

Input on Specific Services Council would like to see:

Mayor Tran said to invest in public works with improved trees; strategic landscaping including weed abatement; on CIP and public safety, have a traffic calming plan like City of Campbell; use speed control on many streets; and find the money to have a comprehensive homeless strategy.

Councilmember Montano wanted a Traffic/Roads Commission to deal with potholes, bike paths, traffic, street sweeping, abandoned cars, storm drains clogged due to parked cars; speed alerts signs; wanted a

Housing Commission to address issues on homelessness, affordable housing, see Sunnyvale as example, and work with non-profits on Measure A and ADUs in the City.

Councilmember Phan cared about homelessness, so there was need to get an update on transients in Milpitas; consider utilizing Housing fund for rental assistance, for housing relocation, for those in crisis; find locations for temp shelters; survey on housing needs of City employees; on business – better incentivize job creators (reduce red tape), assist businesses with H1B visas for employees; do more for immigrants who live in the city; needed a summer youth program incorporated, including jobs and careers; talented youth workforce development by partnering with other organizations like SVO; and make it safer for residents - especially women - to get home at night.

Councilmember Nuñez agreed with a Transportation Commission getting formed, as per Ms. Montano. Street sweeping issue was important, with an environmental aspect. For the Housing Authority, make it a separate and distinct government. Do something on homelessness – go to the County which has the money. Regarding in-house counsel versus contracted counsel (he'd worked with both), firm up that process; go back to charter v. general law city discussion; and he wanted City Council dictating the direction of government, not the administration.

Vice Mayor Dominguez agreed with several of the items mentioned above. She would like to have a crime prevention unit at Milpitas Police Department with civilians. She had questions on massage parlors, and wanted to go back to learn about preventing prostitution at hotels. Protect women via CEDAW; and lactation services space was needed. Environmental concept of city – explore a bee farm in Milpitas, since this was a harvest city. Pop-up businesses to help minorities and women. Census count accuracy and homeless count were both critical. Internship opportunities and explore charter cities.

Mayor Tran felt the odor issue needed to be dealt with, since it had held the City back from optimal desirability. There was a need to mitigate the odor in Milpitas and he wanted an odor monitoring system funded in the new budget.

Fees and charges information would be submitted to City Council in a memo later (to move the agenda along), the City Manager stated.

Financial advisor and consultant Mr. Fabian would address external financing options. He explained municipal bonds and other financing tools for California cities.

Financing issues discussion included municipal issue bonds for large projects to spread costs out over time, often a 30-year time frame. Types of debt included: GO bonds (often for school districts) which needed 67% to pass; COPs (Certificates of Participation) or lease revenue bonds, which were common for cities, with no voter approval required.

Upcoming issuance of bonds in Milpitas was to be considered for the San Jose/Santa Clara Treatment Plant upgrades and for deferred infrastructure for the water utility system. Wastewater Revenue Bonds were issued in 2017.

Other land secured financing mechanisms included Assessment Districts; Community Facilities Districts; and, new EIFDs (need 55% voter approval) or CRIAs. Councilmember Phan asked for information on how some of these were negotiated in the examples the consultant had listed (on a slide). The consultant then emphasized use of municipal bonds, COPs and lease revenue bonds for debt financing were effective methods.

Mayor Tran inquired, on municipal bonds, was there any example during a recession, and what challenges were faced if the payment on bonds could not be paid? Consultant said no defaults were realized on municipal bonds following the recession ten years ago.

Councilmember Nuñez asked to confirm when no voter approval of bonds was needed. Mr. Steele said none for COPs. Mr. Fabian explained how/when a consultant must present to Council at a public hearing on steps to get to bond issuance approval and informing the public.

Next, the Mayor allowed public comments.

Robert Marini, resident, said the problem was that there was no public utility commission, and spoke of notification or lack of same.

Tom Valore, resident, was always concerned about the issue of reserves.

City Manager Edmonds-Mares asked for the City Council to participate in one more exercise which was to review, and maybe re-order or re-establish the City Council priorities. Those were listed on paper charts, and she asked Council to go to those pages, and put up their current priorities. Each Councilmember gave verbal feedback to the City Manager.

A City Council retreat to go over the priorities further would be scheduled for Friday, February 22.

Mayor Tran thanked residents, Councilmembers and staff who were present at this meeting up to the end. He then adjourned the study session meeting at the Senior Center at 10:16 PM.

The foregoing minutes were approved by Milpitas City Council on February 19, 2019.

Mary Lavelle
Milpitas City Clerk